

**Encinitas Educational Foundation**  
**Minutes for Meeting Held May 16, 2016**  
**Location: District Office**



**Meeting Attendees**

<b><u>EEF Board</u></b>		<b><u>Other Member/Attendees</u></b>	
Shelly Kelly	President, Community	Emily Andrade	EUSD Board President
Lisa Rimbach	V.P., Community	Carol Skiljan	EUSD Board Member
Jay Bell	Treasurer, OPE	Leslie Schneider	FV
Shad Butte	Secretary, Capri	Peter Grabell	FV
Lauren Calderon	Park Dale Lane	Lisa Kendall	LCH
Rick Johnson	Community	Michele Saunders	LCH
Jill Thomas	OPE	Andy Schooler	OPE
James Baxter	Ocean Knoll	Stephanie Rubino	PDL
Glen Warren	District Liason	Rebecca Conley	PEC
		Thyme Osborne	OPE
		John Jerotz	OPE

1. **Call to Order:** The meeting was called to order by Shelly Kelly at 6:35 pm.
2. **Reading and Approval of the Minutes from April 18<sup>th</sup> :** Motion was made by Jay Bell and seconded by Lisa Rimbach. **Motion carried**
3. **Reports from Officers**
  - a. **President's Report:** Shelly Kelly reported that after a lengthy review process, the Board amended the Bylaws at the last meeting to allow for the creation of additional chapters not specifically related to individual school sites; one example of which would be a Special Education focus chapter that would benefit students attending EUSD schools. Also, the Bylaws reference the Chapter Bylaws in Exhibit A, which was updated and cleaned up, based on various changes over the years based on archived copies.

Shelly reported that **elections will be held at the next Board meeting on June 6<sup>th</sup>** and that the Bylaws call for a minimum of nine Board members. Of the nine current Board positions, four are up for renewal. At this point we are looking for additional Board members to replace those that may not return, so it is important to get the word out to any and all interested people that may be interested in serving on the Board. Ideas for getting the word out included Peach Jar, Facebook, PTA presidents & EEF Representatives to spread the word at their school sites, and other channels.

Shelly mentioned there have been a lot of questions related to the funding of the EUSD Wellness program for next year, of which Yoga is a component. She mentioned the District received approximately \$800,000 in annual grants to operate the program, and that there were questions on how that would be funded and if the program would be continued. The EUSD Board members present said they are evaluating this area in the budget discussions that will take place this summer. This led into a discussion related to whether the school sites specifically fundraise for physical education programs, and it was determined that seven of the nine sites raised money to pay for outside consultants to supplement the physical education program at their schools.

Shelly reported that each year the Foundation chapters were responsible for fundraising at their sites and establishing a revenue and expense budget against which to operate. The Foundation itself has the same responsibility and goes through the same process to ensure the expected expenses of the following year are in line with the forecasted revenue levels. During that

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process, it has become clear that in its current financial state, the Foundation will need to make adjustments to remain fiscally solvent over the next twelve months. Two years ago, EEF hired a paid Executive Director to serve two main roles; increase fundraising and to bring the Foundation to 21<sup>st</sup> century standards. This allowed the Foundation to look forward and to clean up the back of the house administrative tasks, while also creating tools in the toolkit to assist sites in their fundraising. This was a two year trial, with emphasis on advancing common platforms for district-wide fundraising, but not enough additional money was raised to offset the cost of the Executive Director position. With the Board now purely volunteer based, many of the tasks are falling on a decreasing number of individuals, and there hasn't been enough volunteer support to take on new fundraising initiatives at the Foundation level.

Based on the current situation, Shelly reported that Jay Bell would present an "EEF 2016-2017 Budget Workshop" overview showing the financial state of the Foundation, and which alternatives are available moving forward. She also thanked everyone for the great turnout for the meeting, and was excited to see input from EUSD Board members and other stakeholders in developing a solution that is beneficial to all parties involved.

#### **4. New Business**

**EEF 2016-2017 Budget:** Jay Bell (Treasurer) gave an overview of how the Foundation worked from a financial standpoint, and discussed the General and Administrative costs of the Foundation and what was included in which categories. Various costs include back office costs such as accounting, invoice processing, reimbursements, Matching Funds, compliance, insurance, software, website, marketing and other costs. Funds are raised by the school sites, remitted to the Foundation, and then distributed back out to the school sites. Revenue sources for the Foundation General Fund (non-school sites) were specific fundraisers, historically including events such as golf tournaments, Lego Land ticket sales, Rotary Wine Festival, and other events. With the exit of the Executive Director, the focus of the Foundation has shifted from pursuing large scale revenue generation to more of a support role, assisting the sites with their fundraising with tools from the Toolkit and providing back office support such as insurance, software, Matching Funds, and accounting. Recently cost cutting measures have been adopted, with putting things like future website development on hold and curtailing events requiring funding from the Foundation's general fund.

Jay walked the group through the 2016/7 general fund budget, which reflected a net cost of \$15,800; the assumption is \$18,300 in expenses offset by \$2,500 in proceeds from next year's Rotary wine festival. During the 201/6 school year approximately \$21,734 was raised through general fundraising, but without a paid Director, Jay was hesitant in projecting revenue the same as last year. Based on his calculations, if the budget net "cost" of (\$15,800) was achieved, the general fund would be (\$1,093) by June 2017.

Since the Board has a fiduciary responsibility to keep the Foundation solvent, the possible courses of action are to increase fundraising efforts, decrease costs, or assess school sites to defray the cost. Jay described how the Foundation Bylaws allow for assessing sites to fund general operating costs. Potential models include assessing a per student amount, or to charge a percent of total dollars raised by each site. To keep this in context, the Foundation used to assess sites on a yearly basis. Jay then walked through different scenarios based on the current general fund balance, and different methods of assessment. Based on these scenarios of charging \$1-\$2 per student or 1% of revenue raised would equate to an ending general fund balance of between \$4k-\$9k.

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This prompted a spirited debate on which methods were equitable for assessing students, if schools should be assessed, if there needs to be a Foundation, and what benefits are derived by the sites as part of the Foundation. Emily Andrade felt strongly that the school sites shouldn't be assessed and that it would be too large of a burden for some of the sites that struggle with fundraising. Others questioned whether the PTA chapters at each school site could take over the back office functions provided by EEF. Some felt that their own sites were self-sufficient and that they didn't need to run their fundraising through the foundation. This prompted another discussion of what some felt could and couldn't be handled by PTA. Some thought the Foundation provided a good service for the sites and that not using EEF would potentially be disruptive to the fundraising efforts at many of the sites, and that some sites might have a PTA that wouldn't be receptive to taking on the overall fundraising and back office support of the school. Discussion ensued where the pros and cons of the services provided by the Foundation were discussed. Also discussed was the difficulty the Foundation has fundraising in a way that didn't dilute the fundraising efforts by the school sites; as an example parents of existing students aren't likely to donate to the Foundation general fund and would instead support their own school sites. Rick Johnson and others felt that there could be larger donors out there that we haven't yet connected with, and that the Foundation needed a unifying cause or program with which to solicit donations.

After much discussion the general consensus seemed to be the Foundation provides a beneficial service to the school sites, and that renewed energy could be put forth to raise money for the general fund so that services could continue without coming at a cost to the schools. Ideas included again participating in Legoland, seeking grants, and other potential fundraisers, with the goal of raising \$15k to offset the expenses.

Shelly Kelly again thanked everybody for the great turnout and enthusiasm in working towards a common goal, and encouraged those present to consider joining the Board and forming a working group to develop future fundraising ideas. Shelly felt there was a renewed energy to raise money to cover basic administrative costs so that sites aren't charged. Increased participation from school sites\chapters, District EUSD\Board and EEF Board are needed to ensure the foundation is viable. Long term sustainability and renewed commitment to the foundation are needed at this time or the foundation is at the risk of going dormant.

The Foundation budget discussion will be placed on next month's agenda and a final decision will be made on how best to proceed moving forward, and whether fundraising would be able to close the expense gap without assessing the sites.

## **5. Old Business**

**Rotary Wine Festival:** Shelly reminded everyone of the Rotary Wine Festival on June 4<sup>th</sup> and to buy tickets to support EEF. If you purchase a \$90 ticket, \$60 goes back to the Foundation. Shelly also encouraged everyone to donate a bottle of wine to be included with the basket that EEF is providing as part of their commitment for being a recipient of donated funds.

**Adjournment:** At 8:11pm a Motion was made by Lisa Rimbach and seconded by James Baxter to adjourn the meeting. **Motion Carried.**

Respectfully submitted by Shad Butte, May 20, 2016.